



Office of the Governor

August 2, 2004

Bureau of Land Management
Pinedale Field Office
P.O. Box 768
Pinedale, WY 82941

Attn: Prill Mecham

Re: Questar Year-Round Drilling Proposal

Dear Prill:

Thank you for the opportunity to comment on the Questar year-round drilling proposal. With the caveats noted in this letter, I believe the proposal is a good model. It significantly reduces impacts to air, water, wildlife, cultural interests, vegetation and communities, while still meeting the economic needs of the project proponent. Various state agencies have reviewed the proposal and offer the following comments:

- Directional Drilling – I support and encourage the move by industry to use directional drilling to reduce the impacts on soil, wildlife, water and air resources. Questar's proposal to reduce its drilling foot print to 9% of the total authorized by the Pinedale Anticline EIS Record of Decision is positive. Directional drilling should be applied to other areas of the field as well.
- Condensate and Water Pipeline – Piping condensate and water from the drill pads instead of trucking it from the field reduces the impacts of development. I am encouraged that you are looking to work with other producers who may benefit from the pipeline, a move which should ultimately reduce environmental impacts across the Mesa.

The scoping notice did not contain additional mitigations I understood were going to be part of the proposal. The following mitigation items that were previously discussed and should be required are:

- Commitment to flareless (green) completions - It is my understanding that with the condensate pipeline and year round drilling, flareless completions could be used nearly 100% of the time.
- Habitat Improvement - Habitat improvements will be undertaken to mitigate the footprint of 550 initially disturbed acres at a 3:1 ratio which would result in 1650 acres of habitat improvement. If the areas for improvement cannot be identified in the current EA, Questar will fund the required environmental analysis.

- Accommodations for permittees affected by habitat mitigation – Depending upon how habitat improvement is completed, there may be an impact for 1-3 years on the grazing permittee's AUM numbers. Questar needs to commit to fund actions that would keep the affected permittees whole.
- Funding for the expanded mule deer study II - As this is a unique development design, monitoring is extremely important to make sure that the benefits of the mitigation are actually realized.

After consultation with various agencies, I request that the following additional items also be incorporated in the final proposal and subsequent record of decision.

- No additional land is developed during the time period of the development and within the Questar lease block without the proper environmental analysis.
- Any agreement ultimately reached is incorporated into the Record of Decision so that all successors in interest to Questar will be similarly bound.
- Questar commits to address major unanticipated impacts to air, wildlife, range or water resources within the proposal area.
- Questar commits to use either EPA tier 2 compliant drill rig engines or alternative fuel drill rig engines to considerably reduce engine emissions and do so on an expeditious and timely schedule over the next two years.
- A Hazardous Air Pollutant (HAP) assessment will be conducted and funded within the Questar lease area in the Anticline. An initial assessment at 5 locations within the lease area would assess ambient HAP concentrations and address public concerns relating to air quality from oil and gas operations.
- Air quality monitoring will be conducted and funded by Questar for 5 years. A suite of monitoring equipment would assess ambient conditions and address public concerns relating to visibility and air quality from oil and gas operations. Constituents to be monitored include oxides of nitrogen, ozone, particulate matter and fugitive dust. It is expected that through coordination with DEQ, a monitoring network would be developed to differentiate Questar's contribution from background and other development.
- Questar commits to funding a contract DEQ oil and gas inspector for 5 years in the proposal area. This would potentially increase compliance with air quality permits at oil and gas production facilities.

The National Environmental Policy Act requires that each agency develop appropriate alternatives and/or mitigation which involve unresolved conflicts (1501.2(c)). Crucial winter range, sage grouse habitat and air quality are three of the primary conflicts unresolved with scoping notice proposal. I believe that state agencies have developed additional mitigation and monitoring requirements that would eliminate unresolved conflicts and provide monitoring to address the effectiveness of the implemented mitigation actions.

Finally, the record of decision must specifically identify the mitigation and monitoring that is required for the development to proceed, as well as the conditions under which mitigation and monitoring are to be implemented.

The State of Wyoming and its agencies have completed a review of the proposal. With our additional recommended mitigation and monitoring measures, Questar's proposal possesses the potential to reduce overall impacts to wildlife, vegetation and air quality and to possibly even improve the current conditions through elimination of disturbance and improvement in habitat.

Based upon the initial review by the Department of Environmental Quality and the Wyoming Game & Fish Department, both agencies are of the opinion that the recommended mitigation and monitoring are significant steps toward responsible development. If we can proceed to work on a cooperative basis on these types of proposals, an EIS would be neither needed nor useful.

Best regards,

A handwritten signature in black ink, appearing to read "Dave Freudenthal", with a large, stylized flourish extending from the end of the signature.

Dave Freudenthal
Governor

DF:mf